

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1003

AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 20-18-2-6, AS ADDED BY P.L.1-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) "Graduation examination" means the test designated by the board under the ISTEP program.

(b) **This section expires July 1, 2018.**

SECTION 2. IC 20-18-2-6.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6.3. (a) **This section applies after June 30, 2018.**

(b) **"Graduation pathway requirement" refers to requirements established by the state board under IC 20-32-4-1.5(b)(1).**

SECTION 3. IC 20-18-2-10 IS REPEALED [EFFECTIVE JULY 1, 2017]. ~~Sec. 10. "ISTEP program" refers to the Indiana statewide testing for educational progress program developed and administered under IC 20-32-5.~~

SECTION 4. IC 20-18-2-20.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20.7. **"Statewide assessment program" refers to:**

- (1) for school years ending before July 1, 2018, the ISTEP program under IC 20-32-5; and
- (2) for school years beginning after June 30, 2018, the Indiana's Learning Evaluation Assessment Readiness



Network (ILEARN) program under IC 20-32-5.1.

SECTION 5. IC 20-19-2-8, AS AMENDED BY P.L.286-2013, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) In addition to any other powers and duties prescribed by law, the state board shall adopt rules under IC 4-22-2 concerning, but not limited to, the following matters:

(1) The designation and employment of the employees and consultants necessary for the department. The state board shall fix the compensation of employees of the department, subject to the approval of the budget committee and the governor under IC 4-12-2.

(2) The establishment and maintenance of standards and guidelines for media centers, libraries, instructional materials centers, or any other area or system of areas in a school where a full range of information sources, associated equipment, and services from professional media staff are accessible to the school community. With regard to library automation systems, the state board may only adopt rules that meet the standards established by the state library board for library automation systems under IC 4-23-7.1-11(b).

(3) The establishment and maintenance of standards for student personnel and guidance services.

(4) The inspection of all public schools in Indiana to determine the condition of the schools. The state board shall establish standards governing the accreditation of public schools.

Observance of:

(A) IC 20-31-4;

(B) IC 20-28-5-2;

(C) IC 20-28-6-3 through IC 20-28-6-7;

(D) IC 20-28-11.5; and

(E) IC 20-31-3, IC 20-32-4, IC 20-32-5 (**for school years ending before July 1, 2018**), **IC 20-32-5.1 (for school years beginning after June 30, 2018)**, and IC 20-32-8;

is a prerequisite to the accreditation of a school. Local public school officials shall make the reports required of them and otherwise cooperate with the state board regarding required inspections. Nonpublic schools may also request the inspection for classification purposes. Compliance with the building and site guidelines adopted by the state board is not a prerequisite of accreditation.

(5) The distribution of funds and revenues appropriated for the support of schools in the state.



(6) The state board may not establish an accreditation system for nonpublic schools that is less stringent than the accreditation system for public schools.

(7) A separate system for recognizing nonpublic schools under IC 20-19-2-10. Recognition of nonpublic schools under this subdivision constitutes the system of regulatory standards that apply to nonpublic schools that seek to qualify for the system of recognition.

(8) The establishment and enforcement of standards and guidelines concerning the safety of students participating in cheerleading activities.

(9) Subject to IC 20-28-2, the preparation and licensing of teachers.

(b) Before final adoption of any rule, the state board shall make a finding on the estimated fiscal impact that the rule will have on school corporations.

SECTION 6. IC 20-19-2-14, AS AMENDED BY P.L.286-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. The state board shall do the following:

(1) Establish the educational goals of the state, developing standards and objectives for local school corporations.

(2) Assess the attainment of the established goals.

(3) Assure compliance with established standards and objectives.

(4) Coordinate with the commission for higher education (IC 21-18-1) and the department of workforce development (IC 22-4.1-2) to develop entrepreneurship education programs for elementary and secondary education, higher education, and individuals in the work force.

(5) Make recommendations to the governor and general assembly concerning the educational needs of the state, including financial needs.

(6) Provide for reviews to ensure the validity and reliability of the **ISTEP statewide assessment** program.

SECTION 7. IC 20-20-8-6, AS AMENDED BY P.L.2-2007, SECTION 203, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. A report must contain the following:

(1) The information listed in section 8 of this chapter for each of the preceding three (3) years.

(2) Additional components determined under section 7(4) of this chapter.

(3) Additional information or explanation that the governing body



wishes to include, including the following:

- (A) Results of nationally recognized assessments of students under programs other than the **ISTEP statewide assessment** program that a school corporation, including a charter school, uses to determine if students are meeting or exceeding academic standards in grades that are tested under the **ISTEP statewide assessment** program.
- (B) Results of assessments of students under programs other than the **ISTEP statewide assessment** program that a school corporation uses to determine if students are meeting or exceeding academic standards in grades that are not tested under the **ISTEP statewide assessment** program.
- (C) The number and types of staff professional development programs.
- (D) The number and types of partnerships with the community, business, or postsecondary education.
- (E) Levels of parental participation.

SECTION 8. IC 20-20-8-8, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The report must include the following information:

- (1) Student enrollment.
- (2) Graduation rate (as defined in IC 20-26-13-6) and the graduation rate excluding students that receive a graduation waiver under IC 20-32-4-4.
- (3) Attendance rate.
- (4) The following test scores, including the number and percentage of students meeting academic standards:
 - (A) All state standardized assessment scores.
 - (B) Scores for assessments under IC 20-32-5-21 (**before its expiration on July 1, 2018**), if appropriate.
 - (C) For a freeway school, scores on a locally adopted assessment program, if appropriate.
- (5) Average class size.
- (6) The school's performance category or designation of school improvement assigned under IC 20-31-8.
- (7) The number and percentage of students in the following groups or programs:
 - (A) Alternative education, if offered.
 - (B) Career and technical education.
 - (C) Special education.



- (D) High ability.
- ~~(E) Remediation.~~
- ~~(F) (E) Limited English language proficiency.~~
- ~~(G) (F) Students receiving free or reduced price lunch under the national school lunch program.~~
- ~~(H) School flex program, if offered.~~
- (8) Advanced placement, including the following:
 - (A) For advanced placement tests, the percentage of students:
 - (i) scoring three (3), four (4), and five (5); and
 - (ii) taking the test.
 - (B) For the Scholastic Aptitude Test:
 - (i) the average test scores for all students taking the test;
 - (ii) the average test scores for students completing the academic honors diploma program; and
 - (iii) the percentage of students taking the test.
- (9) Course completion, including the number and percentage of students completing the following programs:
 - (A) Academic honors diploma.
 - (B) Core 40 curriculum.
 - (C) Career and technical programs.
- ~~(10) The percentage of grade 8 students enrolled in algebra I.~~
- ~~(H) (10) The percentage of graduates considered college and career ready in a manner prescribed by the state board.~~
- ~~(I) (11) School safety, including:~~
 - ~~(A) the number of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons;~~
 - ~~(B) the number of incidents reported under IC 20-33-9; and~~
 - ~~(C) the number of bullying incidents reported under IC 20-34-6 by category.~~
- ~~(J) (12) Financial information and various school cost factors including the following: required to be provided to the office of management and budget under IC 20-42.5-3-5.~~
 - ~~(A) Expenditures per pupil.~~
 - ~~(B) Average teacher salary.~~
 - ~~(C) Remediation funding.~~
- ~~(K) Interdistrict and intradistrict student mobility rates, if that information is available.~~
- ~~(L) (13) The number and percentage of each of the following within the school corporation:~~
 - ~~(A) Teachers who are certificated employees (as defined in IC 20-29-2-4).~~
 - ~~(B) Teachers who teach the subject area for which the teacher~~



is certified and holds a license.

(C) Teachers with national board certification.

~~(16)~~ (14) The percentage of grade 3 students reading at grade 3 level.

~~(17)~~ (15) The number of students expelled, *including the number participating in other recognized education programs during their expulsion*, including the percentage of students expelled by race, grade, gender, free or reduced price lunch status, and eligibility for special education.

~~(18)~~ (16) Chronic absenteeism, which includes the number of students who have been absent from school for ten percent (10%) or more of a school year for any reason.

~~(19)~~ (17) Habitual truancy, which includes the number of students who have been absent ten (10) days or more from school within a school year without being excused or without being absent under a parental request that has been filed with the school.

~~(20)~~ (18) The number of students who have dropped out of school, including the reasons for dropping out, including the percentage of students who have dropped out by race, grade, gender, free or reduced price lunch status, and eligibility for special education.

~~(21)~~ (19) The number of out of school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced price lunch status, and eligibility for special education.

~~(22)~~ (20) The number of in school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced price lunch status, and eligibility for special education.

~~(23)~~ (21) The number of student work permits revoked.

~~(24)~~ (22) The number of students receiving an international baccalaureate diploma.

(b) *Section 3(a) of this chapter does not apply to the publication of information required under this subsection.* This subsection applies to schools, including charter schools, located in a county having a consolidated city, including schools located in excluded cities (as defined in IC 36-3-1-7). *A separate report including the information reported under subsection (a) must be disaggregated by race, grade, gender, free or reduced price lunch status, and eligibility for special education and must be made available on the Internet as provided in section 3(b) of this chapter.*

SECTION 9. IC 20-20-13-9, AS AMENDED BY P.L.133-2012,



SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) This section applies to the 4R's technology program described in section 6(a)(1) of this chapter.

(b) In addition to any other funds available under this chapter, if state funds are transferred under IC 20-32-5-19 **(before its expiration on July 1, 2018)** to the 4R's technology program:

- (1) those funds do not revert to the state general fund;
- (2) those funds shall be made available to the 4R's technology program under this chapter; and
- (3) the department, upon approval by the governor and the budget agency, shall use those funds to award grants under this section.

(c) To be eligible to receive a grant under the program, a school corporation must comply with the following:

- (1) The school corporation must apply to the department for a grant on behalf of a school within the school corporation to purchase technology equipment.
- (2) The school corporation must certify the following:
 - (A) That the school will provide every kindergarten and grade 1 student at that school the opportunity to learn reading, writing, and arithmetic using technology.
 - (B) That the school will provide daily before or after school technology laboratories for students in grades 1 through 3 who have been identified as needing remediation in reading, writing, or arithmetic.
 - (C) That the school will provide additional technology opportunities, that may include Saturday sessions, for students in other grade levels to use the technology laboratories for remediation in reading, writing, arithmetic, or mathematics.
 - (D) That the school will provide technology opportunities to students that attend remediation programs under IC 20-32-8 (if the school corporation is required to do so) or any other additional summer programs.
 - (E) That the school corporation, either through its own or the school's initiative, is able to provide a part of the costs attributable to purchasing the necessary technology equipment.
- (3) The school corporation must include in the application the sources of and the amount of money secured under subdivision (2)(E).
- (4) The school corporation or the school must:
 - (A) provide teacher training services; or
 - (B) use vendor provided teacher training services.
- (5) The school corporation must give primary consideration to the



purchase of technology equipment that includes teacher training services.

(6) The teachers who will be using the technology equipment must support the initiative described in this chapter.

(d) Upon review of the applications by the department, the satisfaction of the requirements set forth in subsection (c), and subject to the availability of funds for this purpose, the department shall award to each eligible school corporation a grant to purchase technology equipment under section 6(a)(1) of this chapter.

(e) The department shall monitor the compliance by the school corporations receiving grants of the matters cited in subsection (c).

SECTION 10. IC 20-24-4-1, AS AMENDED BY P.L.5-2015, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A charter must meet the following requirements:

- (1) Be a written instrument.
- (2) Be executed by an authorizer and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Be granted for:
 - (A) not less than three (3) years or more than seven (7) years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
 - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.
 - (B) Renewal, if the authorizer and the organizer agree to renew the charter.
 - (C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.
 - (D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:
 - (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
 - (ii) describe improvements undertaken or planned for the



charter school; and

(iii) detail the charter school's plans for the next charter term.

(E) Not later than October 1 in the year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than March 1 after the filing of the renewal application. The March 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

(7) Specify the grounds for the authorizer to:

(A) revoke the charter before the end of the term for which the charter is granted; or

(B) not renew a charter.

(8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:

(A) Evidence of improvement in:

(i) assessment measures, including the ~~ISTEP and end of course assessments~~; **statewide assessment program measures**;

(ii) attendance rates;

(iii) graduation rates (if appropriate);

(iv) increased numbers of Core 40 diplomas and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);

(v) increased numbers of academic honors and technical honors diplomas (if appropriate);

(vi) student academic growth;

(vii) financial performance and stability; and

(viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.

(B) Evidence of progress toward reaching the educational goals set by the organizer.



- (9) Describe the method to be used to monitor the charter school's:
 - (A) compliance with applicable law; and
 - (B) performance in meeting targeted educational performance.
- (10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
- (11) Describe specific operating requirements, including all the matters set forth in the application for the charter.
- (12) Specify a date when the charter school will:
 - (A) begin school operations; and
 - (B) have students attending the charter school.
- (13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.
- (14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.
- (15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.
- (16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:
 - (A) that the school will offer flexible scheduling;
 - (B) that students will not complete the majority of instruction of the school's curriculum online or through remote instruction;
 - (C) that the school will offer dual credit or industry certification course work that aligns with career pathways as recommended by the Indiana career council established by IC 22-4.5-9-3; and
 - (D) a plan:
 - (i) to support successful program completion and to assist transition of graduates to the workforce or to a postsecondary education upon receiving a diploma from the adult high school; and
 - (ii) to review individual student accomplishments and success after a student receives a diploma from the adult high school.



(b) A charter school shall set annual performance targets in conjunction with the charter school's authorizer. The annual performance targets shall be designed to help each school meet applicable federal, state, and authorizer expectations.

SECTION 11. IC 20-24-8-5, AS AMENDED BY P.L.141-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

- (1) IC 5-11-1-9 (required audits by the state board of accounts).
- (2) IC 20-39-1-1 (unified accounting system).
- (3) IC 20-35 (special education).
- (4) IC 20-26-5-10 (criminal history).
- (5) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).
- (6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
- (7) IC 20-28-10-14 (teacher freedom of association).
- (8) IC 20-28-10-17 (school counselor immunity).
- (9) For conversion charter schools only if the conversion charter school elects to collectively bargain under IC 20-24-6-3(b), IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and IC 20-28-10.
- (10) IC 20-33-2 (compulsory school attendance).
- (11) IC 20-33-3 (limitations on employment of children).
- (12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial review).
- (13) IC 20-33-8-16 (firearms and deadly weapons).
- (14) IC 20-34-3 (health and safety measures).
- (15) IC 20-33-9 (reporting of student violations of law).
- (16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
- (17) IC 20-31-3, IC 20-32-4, IC 20-32-5 (**for a school year ending before July 1, 2018**), **IC 20-32-5.1 (for a school year beginning after June 30, 2018)**, IC 20-32-8, and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b) (academic standards, accreditation, assessment, and remediation).
- (18) IC 20-33-7 (parental access to education records).
- (19) IC 20-31 (accountability for school performance and improvement).
- (20) IC 20-30-5-19 (personal financial responsibility instruction).
- (21) IC 20-26-5-37.3, before its expiration (career and technical education reporting).



SECTION 12. IC 20-24.2-4-3, AS AMENDED BY P.L.117-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) Except as specifically provided in this article and section 4 of this chapter, the following provisions of this title and a rule or guideline adopted by the state board under one (1) of the following provisions of this title do not apply to a qualified district or qualified high school:

- (1) Provisions that do not apply to school corporations in general.
- (2) IC 20-20 (programs administered by the state), except for IC 20-20-1 (educational service centers) and IC 20-20-8 (school corporation annual performance report).
- (3) IC 20-28 (school teachers), except for IC 20-28-3-4 (teacher continuing education), IC 20-28-4-8 (hiring of transition to teaching participants; restrictions), IC 20-28-4-11 (transition to teaching participants; school corporation or subject area; transition to teaching permit), IC 20-28-5-8 (conviction of certain felonies; notice and hearing; permanent revocation of license; data base of school employees who have been reported), IC 20-28-6 (teacher contracts), IC 20-28-7.5 (cancellation of teacher contracts), IC 20-28-8 (contracts with school administrators), IC 20-28-9 (teacher salary and related payments), IC 20-28-10 (conditions of employment), and IC 20-28-11.5 (staff performance evaluations).
- (4) IC 20-30 (curriculum), except for IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances), IC 20-30-5-13 (human sexuality instructional requirements), and IC 20-30-5-19 (personal financial responsibility instruction).
- (5) IC 20-32 (student standards, assessments, and performance), except for IC 20-32-4 (graduation requirements), IC 20-32-5 (Indiana statewide testing for educational progress **for a school year ending before July 1, 2018**), **IC 20-32-5.1 (statewide assessment program for a school year beginning after June 30, 2018)**, and IC 20-32-8 (remediation).
- (6) IC 20-37 (career and technical education).

(b) Notwithstanding any other law, a school corporation may not receive a decrease in state funding based upon the school corporation's status as a qualified district or the status of a high school within the school corporation as a qualified high school, or because of the implementation of a waiver of a statute or rule that is allowed to be waived by a qualified district or qualified high school.

SECTION 13. IC 20-24.2-4-4, AS AMENDED BY P.L.117-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



UPON PASSAGE]: Sec. 4. The following provisions of this title and rules and guidelines adopted under the following provisions of this title apply to a qualified district or qualified high school:

- IC 20-20-1 (educational service centers).
- IC 20-20-8 (school corporation annual performance report).
- IC 20-23 (organization of school corporations).
- IC 20-26 (school corporation general administrative provisions).
- IC 20-27 (school transportation).
- IC 20-28-3-4 (teacher continuing education).
- IC 20-28-4-8 (hiring of transition to teaching participants; restrictions).
- IC 20-28-4-11 (transition to teaching participants; school corporation or subject area; transition to teaching permit).
- IC 20-28-5-8 (conviction of certain felonies; notice and hearing; permanent revocation of license; data base of school employees who have been reported).
- IC 20-28-6 (teacher contracts).
- IC 20-28-7.5 (cancellation of teacher contracts).
- IC 20-28-8 (contracts with school administrators).
- IC 20-28-9 (teacher salary and related payments).
- IC 20-28-10 (conditions of employment).
- IC 20-28-11.5 (staff performance evaluations).
- IC 20-29 (collective bargaining for teachers).
- IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
- IC 20-30-5-13 (human sexuality instructional requirements).
- IC 20-30-5-19 (personal financial responsibility instruction).
- IC 20-31 (accountability for school performance and improvement).
- IC 20-32-4, IC 20-32-5 (**for a school year beginning before July 1, 2018**), **IC 20-32-5.1 (for a school year ending after June 30, 2018)**, and IC 20-32-8 (accreditation, assessment, and remediation), or any other statute, rule, or guideline related to standardized assessments.
- IC 20-33 (students: general provisions).
- IC 20-34-3 (health and safety measures).
- IC 20-35 (special education).
- IC 20-36 (high ability students).
- IC 20-39 (accounting and financial reporting procedures).
- IC 20-40 (government funds and accounts).
- IC 20-41 (extracurricular funds and accounts).
- IC 20-42.5 (allocation of expenditures to student instruction).



- IC 20-43 (state tuition support).
- IC 20-44 (property tax levies).
- IC 20-45 (general fund levies).
- IC 20-46 (levies other than general fund levies).
- IC 20-47 (related entities; holding companies; lease agreements).
- IC 20-48 (borrowing and bonds).
- IC 20-49 (state management of common school funds; state advances and loans).
- IC 20-50 (homeless children and foster care children).

SECTION 14. IC 20-26-5-37, AS ADDED BY P.L.162-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 37. (a) A high school operated by a school corporation shall offer the high school's students the opportunity to earn any type of state diploma approved by the state board.

(b) Notwithstanding IC 20-32-4-1 (**before its expiration on July 1, 2018**), **IC 20-32-4-1.5 (after June 30, 2018)**, IC 20-32-4-4(5), and IC 20-32-4-5(b)(2)(E), a school corporation shall not require a student with a disability to complete locally required credits that exceed state credit requirements to receive a diploma unless otherwise required as part of the student's individualized education program under IC 20-35.

SECTION 15. IC 20-26-11-32, AS AMENDED BY P.L.39-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) This section does not apply to a school corporation if the governing body has adopted a policy of not accepting the transfer of any student who does not have legal settlement within the school corporation.

(b) The governing body of a school corporation shall annually establish:

- (1) except as provided in subsection (m), the number of transfer students the school corporation has the capacity to accept in each grade level; and
- (2) the date by which requests to transfer into the school corporation must be received by the governing body.

(c) After establishing the date under subsection (b)(2), the governing body shall:

- (1) publish the date on the school corporation's Internet web site; and
- (2) report the date to the department.

(d) The department shall publish the dates received from school corporations under subsection (c)(2) on the department's Internet web site.

(e) A student to whom this section applies may not request to



transfer under this section primarily for athletic reasons to a school corporation in which the student does not have legal settlement.

(f) If the number of requests to transfer into a school corporation received by the date established for the school corporation under subsection (b)(2) exceeds the capacity established for the school corporation under subsection (b)(1), each timely request must be given an equal chance to be accepted, with the exception that a student described in subsection (h) shall be given priority. The governing body must determine which students will be admitted as transfer students to each school building and each grade level within the school corporation by a random drawing in a public meeting.

(g) Except as provided in subsections (i), (j), (k), and (m), the governing body of a school corporation may not deny a request for a student to transfer into the school corporation based upon the student's academic record, scores on ~~ISTEP~~ **statewide assessment program** tests, disciplinary record, or disability, or upon any other factor not related to the school corporation's capacity.

(h) Except as provided in subsections (i), (j), and (k), the governing body of a school corporation may not deny a request for a student to transfer into the school corporation if the student requesting to transfer:

- (1) is a member of a household in which any other member of the household is a student in the transferee school; or
- (2) has a parent who is an employee of the school corporation.

(i) A governing body of a school corporation may limit the number of new transfers to a school building or grade level in the school corporation:

- (1) to ensure that a student who attends a school within the school corporation as a transfer student during a school year may continue to attend the school in subsequent school years; and
- (2) to allow a student described in subsection (h) to attend a school within the school corporation.

(j) Notwithstanding subsections (g) and (h), a governing body of a school corporation may deny a request for a student to transfer to the school corporation, or establish terms or conditions for enrollment that prevent a student from enrolling in a school, if the student has been suspended (as defined in IC 20-33-8-7) or expelled (as defined in IC 20-33-8-3) during the twelve (12) months preceding the student's request to transfer under this section:

- (1) for ten (10) or more school days;
- (2) for a violation under IC 20-33-8-16;
- (3) for causing physical injury to a student, a school employee, or a visitor to the school; or



(4) for a violation of a school corporation's drug or alcohol rules. For purposes of subdivision (1), student discipline received under IC 20-33-8-25(b)(7) for a violation described in subdivisions (2) through (4) shall be included in the calculation of the number of school days that a student has been suspended.

(k) The governing body of a school corporation with a school building that offers a special curriculum may require a student who transfers to the school building to meet the same eligibility criteria required of all students who attend the school building that offers the special curriculum.

(l) The parent of a student for whom a request to transfer is made is responsible for providing the school corporation to which the request is made with records or information necessary for the school corporation to determine whether the request to transfer may be denied under subsection (j).

(m) Notwithstanding this section, the governing body of a school corporation may authorize the school corporation to enter into an agreement with an accredited nonpublic school or charter school to allow students of the accredited nonpublic school or charter school to transfer to a school within the school corporation.

(n) A school corporation that has adopted a policy to not accept student transfers after June 30, 2013, is not prohibited from enrolling a:

- (1) transfer student who attended a school within the school corporation during the 2012-2013 school year; or
- (2) member of a household in which any other member of the household was a transfer student who attended a school within the school corporation during the 2012-2013 school year.

However, if a school corporation enrolls a student described in subdivision (1) or (2), the school corporation shall also allow a student or member of the same household of a student who attended an accredited nonpublic school within the attendance area of the school corporation during the 2012-2013 school year to enroll in a school within the school corporation.

SECTION 16. IC 20-26-13-5, AS AMENDED BY P.L.286-2013, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) As used in this chapter, "graduation" means the successful completion by a student of:

- (1) a sufficient number of academic credits, or the equivalent of academic credits; and
- (2) the graduation examination **(before July 1, 2018), graduation pathway requirement (after June 30, 2018)**, or waiver process



required under IC 20-32-3 through ~~IC 20-32-5~~; **IC 20-32-5.1**; resulting in the awarding of a high school diploma or an academic honors diploma.

(b) The term does not include the granting of a general educational development diploma under IC 20-20-6 (before its repeal) or IC 22-4.1-18.

SECTION 17. IC 20-26-15-5, AS AMENDED BY P.L.286-2013, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school corporation elects to have the specific statute or rule suspended in the contract:

(1) The following statutes and rules concerning curriculum and instructional time:

IC 20-30-2-7
IC 20-30-5-8
IC 20-30-5-9
IC 20-30-5-11
511 IAC 6-7-6
511 IAC 6.1-5-0.5
511 IAC 6.1-5-1
511 IAC 6.1-5-2.5
511 IAC 6.1-5-3.5
511 IAC 6.1-5-4.

(2) The following rule concerning pupil/teacher ratios:

511 IAC 6.1-4-1.

(3) The following statutes and rules concerning curricular materials:

IC 20-26-12-24
IC 20-26-12-26
IC 20-26-12-1
IC 20-26-12-2
511 IAC 6.1-5-5.

(4) 511 IAC 6-7, concerning graduation requirements.

(5) IC 20-31-4, concerning the performance based accreditation system.

(6) **IC 20-32-5 (before its expiration on July 1, 2018)**, concerning the ISTEP program established under IC 20-32-5-15, if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter.

SECTION 18. IC 20-26-15-6, AS AMENDED BY P.L.2-2006,



SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Except as provided in this chapter and notwithstanding any other law, a freeway school corporation or a freeway school may do the following during the contract period:

- (1) Disregard the observance of any statute or rule that is listed in the contract.
- (2) Lease school transportation equipment to others for nonschool use when the equipment is not in use for a school corporation purpose, if the lessee has not received a bid from a private entity to provide transportation equipment or services for the same purpose.
- (3) Replace the budget and accounting system that is required by law with a budget or accounting system that is frequently used in the private business community. The state board of accounts may not go beyond the requirements imposed upon the state board of accounts by statute in reviewing the budget and accounting system used by a freeway school corporation or a freeway school.
- (4) Establish a professional development and technology fund to be used for:
 - (A) professional development; or
 - (B) technology, including video distance learning.

However, any money deposited in the professional development and technology fund for technology purposes must be transferred to the school technology fund.

- (5) Subject to subdivision (4), transfer funds obtained from sources other than state or local government taxation among any accounts of the school corporation, including a professional development and technology fund established under subdivision (4).
- (6) Transfer funds obtained from property taxation and from state distributions among the general fund and the school transportation fund, subject to the following:
 - (A) The sum of the property tax rates for the general fund and the school transportation fund after a transfer occurs under this subdivision may not exceed the sum of the property tax rates for the general fund and the school transportation fund before a transfer occurs under this subdivision.
 - (B) This subdivision does not allow a school corporation to transfer to any other fund money from the:
 - (i) capital projects fund; or
 - (ii) debt service fund.



(7) Establish a locally adopted assessment program to replace the assessment of students under the ISTEP program established under IC 20-32-5-15 **(before its expiration on July 1, 2018)**, subject to the following:

(A) A locally adopted assessment program must be established by the governing body and approved by the department.

(B) A locally adopted assessment program may use a locally developed test or a nationally developed test.

(C) Results of assessments under a locally adopted assessment program are subject to the same reporting requirements as results under the ISTEP program **(before its expiration on July 1, 2018)**.

(D) Each student who completes a locally adopted assessment program and the student's parent have the same rights to inspection and rescoring:

(i) for school years ending before July 1, 2018, as set forth in IC 20-32-5-9; **and**

(ii) for school years beginning after June 30, 2018, as set forth in IC 20-32-5.1.

SECTION 19. IC 20-26-15-7, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The minimum educational benefits that a freeway school corporation or a freeway school must produce under this chapter are the following:

(1) An average attendance rate that increases:

(A) not less than two percent (2%) each school year until the average attendance rate is eighty-five percent (85%); and

(B) one percent (1%) each school year until the average attendance rate is ninety percent (90%).

(2) A successful completion rate of the assessment program by meeting essential standards under the **ISTEP statewide assessment** program (~~IC 20-32-5~~) or a locally adopted assessment program established under section 6(7) of this chapter that increases:

(A) not less than two percent (2%) each school year until the successful completion rate is not less than eighty-five percent (85%); and

(B) one percent (1%) each school year until the successful completion rate is not less than ninety percent (90%);

of the students in the designated grade levels under the **ISTEP statewide** assessment program (~~IC 20-32-5~~) or the locally adopted assessment program that are grades contained in the freeway



school corporation or freeway school.

(3) Beginning with the class of students who expect to graduate four (4) years after a freeway school corporation or a freeway school that is a high school obtains freeway status, a graduation rate as determined under 511 IAC 6.1-1-2(k) that increases:

(A) not less than two percent (2%) each school year until the graduation rate is not less than eighty-five percent (85%); and

(B) one percent (1%) each school year until the graduation rate is ninety percent (90%).

After a freeway school corporation or a freeway school has achieved the minimum rates required under subdivisions (1) through (3), the freeway school corporation or freeway school must either maintain the minimum required rates or show continued improvement of those rates.

SECTION 20. IC 20-28-8-5, AS ADDED BY P.L.1-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The evaluation of a principal's performance may not be based wholly on the **ISTEP statewide assessment** program test scores ~~under IC 20-32-5~~ of the students enrolled at the principal's school. However, the **ISTEP statewide assessment** program test scores ~~under IC 20-32-5~~ of the students enrolled at a principal's school may be considered as one (1) of the factors in the evaluation of the principal's overall performance at the school.

SECTION 21. IC 20-28-11.5-7, AS ADDED BY P.L.90-2011, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) This section applies to any teacher instructing students in a content area and grade subject to IC 20-32-4-1(a)(1) **(before its expiration on July 1, 2018)**, and IC 20-32-5-2 **(for a school year ending before July 1, 2018)**, and **IC 20-32-5.1 (for a school year ending after June 30, 2018)**.

(b) A student may not be instructed for two (2) consecutive years by two (2) consecutive teachers, each of whom was rated as ineffective under this chapter in the school year immediately before the school year in which the student is placed in the respective teacher's class.

(c) If a teacher did not instruct students in the school year immediately before the school year in which students are placed in the teacher's class, the teacher's rating under this chapter for the most recent year in which the teacher instructed students, instead of for the school year immediately before the school year in which students are placed in the teacher's class, shall be used in determining whether subsection (b) applies to the teacher.

(d) If it is not possible for a school corporation to comply with this section, the school corporation must notify the parents of each



applicable student indicating the student will be placed in a classroom of a teacher who has been rated ineffective under this chapter. The parent must be notified before the start of the second consecutive school year.

SECTION 22. IC 20-28-11.5-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. (a) Subject to the requirements of section (4)(c)(2)(A) of this chapter, a school corporation may revise its plan for the 2017-18 school year to determine how to include ISTEP results in evaluations of certificated employees.**

(b) This section expires July 1, 2018.

SECTION 22. IC 20-30-2-2.2, AS AMENDED BY P.L.233-2015, SECTION 222, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.2. (a) As used in this section, "eligible student" means a student in grade 11 or 12 who has:**

- (1) failed the ISTEP+ graduation exam (before July 1, 2018) or an exam used to satisfy a graduation pathway requirement (after June 30, 2018) at least twice;**
- (2) been determined to be chronically absent, by missing ten percent (10%) or more of a school year for any reason;**
- (3) been determined to be a habitual truant, as identified under IC 20-33-2-11;**
- (4) been significantly behind in credits for graduation, as identified by an individual's school principal;**
- (5) previously undergone at least a second suspension from school for the school year under IC 20-33-8-14 or IC 20-33-8-15;**
- (6) previously undergone an expulsion from school under IC 20-33-8-14, IC 20-33-8-15, or IC 20-33-8-16; or**
- (7) been determined by the individual's principal and the individual's parent or guardian to benefit by participating in the school flex program.**

(b) An eligible student who participates in a school flex program must:

- (1) attend school for at least three (3) hours of instructional time per school day;**
- (2) pursue a timely graduation;**
- (3) provide evidence of college or technical career education enrollment and attendance or proof of employment and labor that is aligned with the student's career academic sequence under rules established by the Indiana bureau of child labor;**
- (4) not be suspended or expelled while participating in a school**



flex program;

(5) pursue course and credit requirements for a general diploma;
and

(6) maintain a ninety-five percent (95%) attendance rate.

(c) A school may allow an eligible student in grade 11 or 12 to complete an instructional day that consists of three (3) hours of instructional time if the student participates in the school flex program.

SECTION 23. IC 20-30-4-2, AS AMENDED BY P.L.233-2015, SECTION 224, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. In consultation with the student's school counselor, after seeking consultation with each student's parents, and not later than the date on which the student completes grade 9, each student shall further develop the graduation plan developed in grade 6 under section 1.5 of this chapter to also include the following:

(1) The subject and skill areas of interest to the student.

(2) A program of study under the college/technology preparation curriculum adopted by the state board under IC 20-30-10-2 for grades 10, 11, and 12 that meets the interests and aptitude of the student.

(3) Assurances that, upon satisfactory fulfillment of the plan, the student:

(A) is entitled to graduate; and

(B) will have taken at least the minimum variety and number of courses necessary to gain admittance to a state educational institution.

(4) An indication of assessments (other than ~~ISTEP~~ **the statewide assessment program** and the graduation examination **(before July 1, 2018))** that the student plans to take voluntarily during grade 10 through grade 12 and which may include any of the following:

(A) The SAT Reasoning Test.

(B) The ACT test.

(C) Advanced placement exams.

(D) College readiness exams approved by the department.

(E) Workforce readiness exams approved by the department of workforce development established under IC 22-4.1-2.

(5) An indication of the graduation pathway requirement (after June 30, 2018) that the student plans to take.

SECTION 24. IC 20-30-4-6, AS AMENDED BY P.L.233-2015, SECTION 226, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. (a) A student's school counselor



shall, in consultation with the student and the student's parent, review annually a student's graduation plan that was developed in grade 9 under section 2 of this chapter to determine if the student is progressing toward fulfillment of the graduation plan.

(b) If a student is not progressing toward fulfillment of the graduation plan, the school counselor shall provide counseling services for the purpose of advising the student of credit recovery options and services available to help the student progress toward graduation.

(c) If a student is not progressing toward fulfillment of the graduation plan due to not achieving a passing score on the graduation examination **(before July 1, 2018) or failing to meet a graduation pathway requirement (after June 30, 2018)**, the school counselor shall meet with the:

- (1) teacher assigned to the student for remediation in each subject area in which the student has not achieved a passing score on the graduation examination;
- (2) parents of the student; and
- (3) student;

to discuss available remediation and to plan to meet the requirements under IC 20-32-4.

SECTION 25. IC 20-31-3-1, AS AMENDED BY P.L.239-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The state board shall adopt clear, concise, and jargon free state academic standards that are comparable to national and international academic standards and the college and career readiness educational standards adopted under IC 20-19-2-14.5. These academic standards must be adopted for each grade level from kindergarten through grade 12 for the following subjects:

- (1) English/language arts.
- (2) Mathematics.
- (3) Social studies.
- (4) Science.

(b) For grade levels tested under the **ISTEP statewide assessment** program, the academic standards must be based in part on the results of the **ISTEP statewide assessment** program.

SECTION 26. IC 20-31-4-10, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) During its onsite evaluation, a review panel shall review the following for a school:

- (1) Teaching practices and administrative leadership in instruction.
- (2) Parental and community involvement.



(3) Implementation of the ~~ISTEP~~ remediation program under IC 20-32-8 and the educational opportunity program for at-risk children.

(4) The homework policy.

(b) In addition to its review under subsection (a), the review panel shall verify compliance with the legal standards for accreditation under section 6 of this chapter.

SECTION 27. IC 20-31-7-4, AS ADDED BY P.L.1-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The student educational achievement fund is established to provide funds to stimulate and recognize improved student performance in meeting academic standards under the ~~ISTEP~~ **statewide assessment** program. The fund is administered by the department.

(b) The fund consists of appropriations from the general assembly.

(c) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 28. IC 20-31-7-6, AS AMENDED BY P.L.213-2015, SECTION 193, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The state board shall establish a system for awarding and distributing grants under this chapter. A system recommended under this section must be based on graduated levels of improvement based on ~~ISTEP~~ **statewide assessment** program standards and other assessments approved by the state board.

SECTION 29. IC 20-31-8-1, AS AMENDED BY P.L.213-2015, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The performance of a school's students on the ~~ISTEP~~ **statewide assessment** program test and other assessments recommended by the department of education and approved by the state board are the primary and majority means of assessing a school's improvement.

(b) The department of education shall examine and make recommendations to the state board concerning:

- (1) performance indicators to be used as a secondary means of determining school progress;
- (2) expected progress levels, continuous improvement measures, distributional performance levels, and absolute performance levels for schools; and
- (3) an orderly transition from the performance based accreditation system to the assessment system set forth in this article.

(c) The department of education shall consider methods of



measuring improvement and progress used in other states in developing recommendations under this section.

(d) The department of education may consider:

- (1) the likelihood that a student may fail a graduation exam **(before July 1, 2018) or fail to meet a graduation pathway requirement (after June 30, 2018)** and require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5; and
- (2) remedial needs of students who are likely to require remedial work while the students attend a postsecondary educational institution or workforce training program;

when making recommendations under this section.

SECTION 30. IC 20-31-8-2, AS AMENDED BY P.L.213-2015, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) In addition to scores on the ~~ISTEP~~ **statewide assessment** program test and other assessments, the department shall use the performance indicators developed by the state board and the benchmarks and indicators of performance in each school corporation's annual performance report as a secondary means of assessing the performance of each school and school corporation.

(b) The department shall assess school performance in the following manner:

- (1) Compare the academic performance and growth of the individual students in each school and each school corporation with the prior academic performance and growth of the individual students in the school or school corporation and not to the performance of other schools or school corporations.
- (2) Compare the results in the annual report under IC 20-20-8 with the benchmarks and indicators of performance established in the plan for the same school.
- (3) Compare the results for a school by comparing each student's results for each grade with the student's prior year results, with an adjustment for student mobility rate.
- (4) Compare the results for a school with the state average and the ninety-fifth percentile level for all assessments and performance indicators.

SECTION 31. IC 20-31-8-3, AS AMENDED BY P.L.239-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The state board shall establish a number of categories, using an "A" through "F" grading scale, to designate performance based on the individual student academic performance and growth to proficiency in each school.

(b) The state board, in consultation with the department, shall define



"low population schools" and shall determine the criteria for placing low population schools in categories established under subsection (a). In setting the definition and criteria for low population schools, the state board shall not penalize schools based on population. An eligible school (as defined in IC 20-51-1-4.7) may not be penalized under IC 20-51-4-9 for the sole reason that the eligible school is considered a low population school under this subsection. The state board's definition and criteria may include the placement of a school that fits the state board's definition in a "null" or "no letter grade" category.

(c) In developing metrics for the categories established under subsection (a), the state board, in consultation with the department, to the extent not inconsistent with federal law, shall consider the severity of tested students' disabilities when using **ISTEP statewide assessment** scores as a means of assessing school performance.

SECTION 32. IC 20-32-2-2.3, AS ADDED BY P.L.219-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.3. "**ISTEP "Statewide assessment** program test" includes any statewide, national, or international assessment that a student is required to complete.

SECTION 33. IC 20-32-4-1, AS ADDED BY P.L.105-2005, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) Except as provided in subsection (b), a student must meet:

- (1) the academic standards tested in the graduation examination; and
- (2) any additional requirements established by the governing body of the student's school corporation;

to be eligible to graduate.

(b) Except as provided in sections 4, 5, 6, 7, 8, 9, and 10 of this chapter, beginning with the class of students who expect to graduate during the 2010-2011 school year, each student is required to meet:

- (1) the academic standards tested in the graduation examination;
- (2) the Core 40 course and credit requirements adopted by the state board under IC 20-30-10; and
- (3) any additional requirements established by the governing body;

to be eligible to graduate.

(c) This section expires July 1, 2018.

SECTION 34. IC 20-32-4-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: **Sec. 1.5. (a) This section applies after June 30, 2018.**



(b) Except as provided in sections 4, 5, 6, 7, 8, 9, and 10 of this chapter, each student shall:

- (1) demonstrate college or career readiness through a pathway established by the state board, in consultation with the department of workforce development and the commission for higher education;
- (2) meet the Core 40 course and credit requirements adopted by the state board under IC 20-30-10; and
- (3) meet any additional requirements established by the governing body;

to be eligible to graduate.

(c) The state board shall establish graduation pathway requirements under subsection (b)(1) in consultation with the department of workforce development and the commission for higher education. A graduation pathway requirement may include the following options approved by the state board:

- (1) End of course assessments measuring academic standards in subjects determined by the state board.
- (2) International baccalaureate exams.
- (3) Nationally recognized college entrance assessments.
- (4) Advanced placement exams.
- (5) Assessments necessary to receive college credit for dual credit courses.
- (6) Industry recognized certificates.
- (7) The Armed Services Vocational Aptitude Battery.
- (8) Any other pathway approved by the state board.

(d) If the state board establishes a nationally recognized college entrance exam as a graduation pathway requirement, the nationally recognized college entrance exam must be offered to a student at the school in which the student is enrolled and during the normal school day.

SECTION 35. IC 20-32-4-2, AS ADDED BY P.L.1-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. A student who does not meet the academic standards tested in the graduation examination **(before July 1, 2018) or fails to meet a graduation pathway requirement (after June 30, 2018)** shall be given the opportunity to be tested during each semester of each grade following the grade in which the student is initially tested until the student achieves a passing score **or, after June 30, 2018, meets a graduation pathway requirement.**

SECTION 36. IC 20-32-4-4, AS AMENDED BY P.L.268-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2017]: Sec. 4. A student who does not achieve a passing score on the graduation examination **(before July 1, 2018) or fails to meet a graduation pathway requirement (after June 30, 2018)** and who does not meet the requirements of section 1 of this chapter may be eligible to graduate if the student does all the following:

(1) Takes the graduation examination in each subject area in which the student did not achieve a passing score at least one (1) time every school year after the school year in which the student first takes the graduation examination. **This subsection expires July 1, 2018.**

(2) Completes remediation opportunities provided to the student by the student's school.

(3) Maintains a school attendance rate of at least ninety-five percent (95%) with excused absences not counting against the student's attendance.

(4) Maintains at least a "C" average or the equivalent in the courses comprising the credits specifically required for graduation by rule of the state board.

(5) Otherwise satisfies all state and local graduation requirements.

(6) Either:

(A) completes:

(i) the course and credit requirements for a general diploma, including the career academic sequence;

(ii) a workforce readiness assessment; and

(iii) at least one (1) industry certification that appears on the state board's approved industry certification list, which must be updated annually with recommendations from the department of workforce development established by IC 22-4.1-2-1; or

(B) obtains a written recommendation from a teacher of the student in each subject area in which the student has not achieved a passing score on the graduation examination. The written recommendation must be aligned with the governing body's relevant policy and must be concurred in by the principal of the student's school and be supported by documentation that the student has attained the academic standard in the subject area based on:

(i) tests other than the graduation examination; or

(ii) classroom work.

SECTION 37. IC 20-32-4-5, AS AMENDED BY P.L.233-2015, SECTION 239, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) This section applies to a



student who is a student with a disability (as defined in IC 20-35-1-8).

(b) If the student does not achieve a passing score on the graduation examination **(before July 1, 2018) or fails to meet a graduation pathway requirement (after June 30, 2018)**, the student's case conference committee may determine that the student is eligible to graduate if the case conference committee finds the following:

(1) The student's teacher of record, in consultation with a teacher of the student in each subject area in which the student has not achieved a passing score, makes a written recommendation to the case conference committee. The recommendation must:

- (A) be aligned with the governing body's relevant policy;
- (B) be concurred in by the principal of the student's school; and
- (C) be supported by documentation that the student has attained the academic standard in the subject area based on:
 - (i) tests other than the graduation examination; or
 - (ii) classroom work.

(2) The student meets all the following requirements:

(A) Retakes the graduation examination in each subject area in which the student did not achieve a passing score as often as required by the student's individualized education program.

This clause expires July 1, 2018.

(B) Completes remediation opportunities provided to the student by the student's school to the extent required by the student's individualized education program.

(C) Maintains a school attendance rate of at least ninety-five percent (95%) to the extent required by the student's individualized education program with excused absences not counting against the student's attendance.

(D) Maintains at least a "C" average or the equivalent in the courses comprising the credits specifically required for graduation by rule of the state board.

(E) Otherwise satisfies all state and local graduation requirements.

SECTION 38. IC 20-32-4-9, AS ADDED BY P.L.105-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 9. This section applies to a student who receives a score on the graduation examination **(before July 1, 2018) or an exam used to satisfy a graduation pathway requirement (after June 30, 2018)** that is in the twenty-fifth percentile or lower when the student takes the graduation examination **(before July 1, 2018) or an exam used to satisfy a graduation pathway requirement (after June**



30, 2018) for the first time. Except as provided in section 10 of this chapter, the student's parent and the student's counselor (or another staff member who assists students in course selection) shall meet to discuss the student's progress. Following the meeting, the student's parent shall determine whether the student will achieve greater educational benefits by:

- (1) continuing in the Core 40 curriculum; or
- (2) completing the general curriculum.

SECTION 40. IC 20-32-5-23, AS ADDED BY P.L.117-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. This chapter expires July 1, ~~2017~~ **2018**.

SECTION 41. IC 20-32-5.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 5.1. Indiana's Learning Evaluation Assessment Readiness Network (ILEARN) Program

Sec. 1. This chapter applies after June 30, 2018.

Sec. 2. The purpose of the Indiana's Learning Evaluation Assessment Readiness Network (ILEARN) program developed under this chapter is to establish an assessment system that is student centered and provides meaningful and timely information to all stakeholders on both a student's on grade proficiency level and the student's growth toward Indiana's college and career readiness educational standards under IC 20-19-2-14.5.

Sec. 3. The Indiana's Learning Evaluation Assessment Readiness Network (ILEARN) program consists of:

- (1) a statewide assessment, including an end of course assessment, described in section 7 of this chapter;
- (2) optional benchmark assessments described in section 17 of this chapter;
- (3) requirements to integrate statewide assessment literacy described in section 18 of this chapter; and
- (4) any programs or policies approved by the state board that are necessary to carry out this chapter.

Sec. 4. To carry out the purposes described in section 2 of this chapter:

- (1) assessment reporting for assessments developed under this chapter must be:
 - (A) reliable;
 - (B) accurate;
 - (C) user friendly; and
 - (D) timely;



- (2) the statewide assessment must help students understand their college and career readiness; and
- (3) the statewide assessment must hold schools accountable for preparing students for college and careers.

Sec. 5. (a) An assessment developed under this chapter must be aligned to Indiana's college and career readiness educational standards under IC 20-19-2-14.5.

(b) All assessments approved by the state board under this chapter must comply with each of the following requirements:

- (1) All assessment data results shall be owned by the school corporation or school that administers the assessment.
- (2) All assessment data shall be available to the school corporation or school promptly upon request and at no additional charge.
- (3) The assessment data shall be provided in a manner that permits it to be used with any instructional program.

Sec. 6. (a) The state board shall:

(1) authorize and oversee the department's development and implementation of the Indiana's Learning Evaluation Assessment Readiness Network (ILEARN) program, including:

- (A) establishment of criteria for requests for proposals for statewide assessments developed or authorized under this chapter;
- (B) establishment of criteria for membership of evaluation teams; and
- (C) establishment of criteria for content and format of the statewide assessment; and
- (2) require the department to conduct ongoing analysis of whether the statewide assessment results are predictive of success in college and career training programs.

(b) The passing scores on a statewide assessment must be determined by statistically valid and reliable methods as determined by independent experts selected by the state board.

(c) The state superintendent, with the approval of the state board, is responsible for the development, implementation, and monitoring of the Indiana's Learning Evaluation Assessment Readiness Network (ILEARN) program.

(d) The department shall prepare detailed design specifications for the statewide assessment developed under this chapter that must do the following:

- (1) Take into account the academic standards adopted under



IC 20-31-3.

(2) Include testing of students' higher level cognitive thinking in each subject area tested.

(e) A statewide assessment described in section 7 of this chapter may be in a form that allows the department and the state board, to the extent possible, to compare the proficiency of Indiana students to the proficiency of students in other states. A statewide assessment may consist of original test items for Indiana's exclusive use if the state board determines that:

- (1) developing original test items for Indiana's exclusive use will result in cost savings; or**
- (2) it would be impractical to develop a statewide assessment adequately aligned to Indiana's academic standards without including original test items developed for Indiana's exclusive use.**

Sec. 7. (a) Except as otherwise provided in this section and in the manner provided in section 6 of this chapter, the state board is responsible for determining the appropriate subjects, grades, and format of a statewide assessment.

(b) For each school year beginning after June 30, 2018, and except as provided in section 11 of this chapter, the statewide assessment must be administered to all full-time students attending a school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) in grades subject to the statewide assessment required by federal law and in a manner prescribed by the state board.

(c) Subject matter tested on the statewide assessment as determined by the state board under subsection (a) must, at a minimum, do the following:

- (1) Comply with requirements established under federal law with:**
 - (A) math and English/language arts assessed yearly in grades 3 through 8, and at least once in grades 9 through 12; and**
 - (B) science assessed at least once in grades 3 through 5, grades 6 through 9, and grades 10 through 12.**
- (2) Require that United States history or United States government be assessed at least once in grades 5 or 8.**

(d) For each school year beginning after June 30, 2018, a high school shall administer as part of the statewide assessment end of course assessments in at least the areas of:

- (1) English/language arts;**



(2) science; and

(3) algebra I.

(e) Students must be eligible to take the end of course assessments described in subsection (d) upon completion of the corresponding course regardless of the student's current grade level.

(f) The statewide assessment:

(1) may not use technology that may negatively influence the ability to measure a student's mastery of material or a particular academic standard being tested; and

(2) may use a technology enhanced test question only when the technology enhanced test question is the best way to measure the academic standard being tested.

Sec. 8. (a) Except as provided in subsection (b), the statewide assessment must be administered in a single testing window that must take place at the end of a school year on dates determined by the state board.

(b) An end of course assessment may be administered at the end of the course for that particular subject matter.

Sec. 9. The state board shall develop a United States government course final exam that schools may administer at the completion of a United States government course. The exam must include the structure of state and federal governments, including the role of separation of powers, the freedoms guaranteed by the Bill of Rights of the Constitution of the United States, and the Federalist Papers.

Sec. 10. (a) The governing body of each school corporation or the equivalent authority for each charter school, eligible school (as defined in IC 20-51-1-4.7), or state accredited nonpublic school is entitled to acquire at no charge from the department:

(1) the statewide assessment; and

(2) the scoring reports used by the department.

(b) A state accredited nonpublic school or an eligible school (as defined in IC 20-51-1-4.7) shall:

(1) administer the statewide assessment to its students at the same time that school corporations administer the test under section 7 of this chapter; and

(2) make available to the department the results of the statewide assessment.

Sec. 11. (a) A student who is a student with a disability (as defined in IC 20-35-1-8) shall be tested under this chapter with appropriate accommodations as outlined in the student's individualized education program, service plan developed under



511 IAC 7-34, or choice scholarship education plan developed under 511 IAC 7-49 in testing materials and procedures unless the individuals who develop the student's individualized education program, service plan, or choice scholarship education plan determine that testing or a part of the testing under this chapter is not appropriate for the student and that an alternate assessment will be used to test the student's achievement.

(b) Any decision concerning a student who is a student with a disability (as defined in IC 20-35-1-8) regarding the student's:

- (1) participation in testing under this chapter;
- (2) receiving accommodations in testing materials and procedures;
- (3) participation in remediation under IC 20-32-8; or
- (4) retention at the same grade level for consecutive school years;

must be made in accordance with the student's individualized education program, service plan, or choice scholarship education plan in compliance with the statewide assessment program's policies and federal law.

Sec. 12. (a) The department shall establish policies and procedures that foster, to the extent possible, the scoring of student responses of an open ended writing assessment on a statewide assessment by Indiana teachers. The teacher may not grade student responses of students who are enrolled in the same school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) in which the teacher is currently employed.

(b) The scoring of student responses under a statewide assessment:

- (1) must adhere to scoring rubrics and anchor papers;
- (2) must measure student achievement relative to the academic standards established by the state board; and
- (3) may not reflect the scorer's judgment of the values expressed by a student in the student's responses.

Sec. 13. (a) The proficiency of students under a statewide assessment must be reported to the state board not later than:

- (1) for the 2018-2019 school year, August 15, 2019; and
- (2) for each school year beginning after June 30, 2019, July 1 of the year in which the statewide assessment is administered.

(b) Reports of student scores on the statewide assessment must be:

- (1) returned to the school corporation, charter school, state



accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) that administered the test; and

(2) accompanied by a guide for interpreting scores.

(c) Subject to approval by the state board, reports of student results on computer scored items under a statewide assessment may be returned to schools regardless of whether the hand scored items are returned.

(d) After reports of final student scores on the statewide assessment are returned to a school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7), the school corporation or school shall promptly do the following:

(1) Give each student and the student's parent the student's statewide assessment test scores.

(2) Make available for inspection to each student and the student's parent the following:

(A) A copy of the student's scored responses.

(B) A copy of the anchor papers and scoring rubrics used to score the student's responses.

A student's parent or the student's principal may request a rescoring of a student's responses to a statewide assessment, including a student's essay. A student's final score on a rescored statewide assessment must reflect the student's actual score on the rescored statewide assessment regardless of whether the student's score decreased or improved on the rescored assessment.

(e) The department shall develop criteria to provide a student's parent the opportunity to inspect questions in a manner that will not compromise the validity or integrity of a statewide assessment.

(f) A student's statewide assessment scores may not be disclosed to the public.

(g) The department may not release less than ten (10) items per subject matter per grade level. The state board and department shall:

(1) post:

(A) the questions; and

(B) with the permission of each student's parent, student answers that are exemplary responses to the released questions;

on the Internet web sites of the state board and department; and

(2) publicize the availability of the questions and answers to schools, educators, and the public.



A student answer posted under this subsection may not identify the student who provided the answer.

Sec. 14. (a) After a school receives statewide assessment score reports, the school shall offer a parent/teacher conference to discuss a student's statewide assessment results with the following:

- (1) A parent of a student who requests a parent/teacher conference on the statewide assessment scores of the student.
- (2) The parent of each student who does not receive a passing score on the test.

(b) The department shall provide enrichment resources to parents and students to provide assistance to students in subject matter included in the student's most recently completed statewide assessment.

Sec. 15. (a) Each school corporation shall compile the total results of the statewide assessments in a manner that will permit evaluation of learning progress within the school corporation. The school corporation shall make the compilation of test results available for public inspection and shall provide that compilation to the parent of each student of the school corporation tested under the statewide assessment.

(b) The school corporation shall provide the statewide assessment program test results on a school by school basis to the department upon request.

(c) Upon request by the commission for higher education, the department shall provide statewide assessment results to the commission for those students for whom the commission under 20 U.S.C. 1232g has obtained consent.

Sec. 16. (a) The department shall develop a format for the publication by school corporations in an annual performance report required by statute of appropriate academic information required by the department, including statewide assessment scores and information required to be disaggregated by the department under subsection (b), in a manner that a reasonable person can easily read and understand.

(b) The department shall disaggregate from the total results of the statewide assessment test results for a school corporation the percentage of students in each school and each grade in the school corporation that are identified as high ability students (as defined by IC 20-36-1-3) by the school corporation who also achieved a score in the highest performance level designated for the statewide assessment. However, this disaggregation is not required in a case in which the results would reveal personally identifiable



information about an individual student under the federal Family Education Rights and Privacy Act (20 U.S.C. 1232g et seq.).

Sec. 17. (a) The state board shall approve two (2) or more benchmark assessments to identify students that require remediation and provide individualized instruction in which a school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) may receive a grant under subsection (c). The benchmark assessments must be aligned to Indiana's academic standards.

(b) A school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) may elect to administer a benchmark assessment described in subsection (a). If a school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) administers an assessment described in subsection (a), the school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) may prescribe the time and the manner in which the assessment is administered.

(c) If a school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) elects to administer a benchmark assessment described in subsection (a), the school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) is entitled to receive a grant or reimbursement from the department in an amount not to exceed the cost of the assessment. The department shall provide grants and reimbursements to a school corporation, charter school, state accredited nonpublic school, or eligible school (as defined in IC 20-51-1-4.7) under this section from money appropriated to the department for the purpose of carrying out this section.

Sec. 18. (a) The department, with the approval of the state board, shall develop and implement programs, policies, and procedures necessary to carry out this chapter to:

- (1)** continuously improve teacher, student, parent, and community understanding of assessment results;
- (2)** strategically use data and information from the assessment results to improve student growth and proficiency of all students; and
- (3)** instruct teachers and administrators on how formative assessment practices can be used on a daily basis during class instruction.



(b) The department shall establish requirements for teacher preparation programs (as described in IC 20-28-3-1(b)) under IC 20-28-3 to improve assessment literacy skills to improve a teacher preparation program student's ability to strategically use data and information from assessment results to improve student growth and proficiency.

Sec. 19. The state board shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 42. IC 20-32-8-4, AS AMENDED BY P.L.268-2013, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. The remediation grant program is established to provide grants to school corporations for the following:

- (1) Remediation of students who score below academic standards.
- (2) Preventive remediation for students who are at risk of falling below academic standards.
- (3) For students in a freeway school or freeway school corporation who are assessed under a locally adopted assessment program under IC 20-26-15-6(7):
 - (A) remediation of students who score below academic standards under the locally adopted assessment program; and
 - (B) preventive remediation for students who are at risk of falling below academic standards under the locally adopted assessment program.
- (4) Targeted instruction of students to:
 - (A) reduce the likelihood that a student may fail a graduation exam **(before July 1, 2018) or fail to meet a graduation pathway requirement (after June 30, 2018)**, and require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5; or
 - (B) minimize the necessity of remedial work of students while the students attend postsecondary educational institutions or workforce training programs.

SECTION 43. IC 20-32-8-11, AS AMENDED BY P.L.233-2015, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. Notwithstanding the requirements of this chapter, any decisions made with regard to:

- (1) attendance in a remediation program;
- (2) ~~ISTEP~~ **statewide assessment** program testing; and
- (3) the grade level placement;

for a student who is a student with a disability (as defined in IC 20-35-1-8) shall be made in accordance with the individualized education program, state law, and federal law.

SECTION 44. IC 20-32-9-2, AS AMENDED BY P.L.222-2015,



SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 2. The guidelines and thresholds established in section 1 of this chapter:

- (1) must provide standards and guidelines for secondary school personnel to determine when a student is required to be assessed under section 3 of this chapter, including guidelines that include:
 - (A) criteria and thresholds that must be based upon:
 - (i) the student's results or score on a state assessment; and
 - (ii) the student's results or score on a national assessment of college and career readiness, with thresholds determined by the commission for higher education and the department in consultation with the state educational institutions, or the student's qualifying grades, which for purposes of this section are a "B" or higher, in advanced placement, international baccalaureate, or dual credit courses;
 - (B) a description of the school official who may make a determination based on the criteria to assess a student under section 3 of this chapter; and
 - (C) thresholds for determining whether a student who takes an examination under section 3 of this chapter requires additional remediation or additional instruction that are determined based on a common score for placement into an entry level, transferable course in English or mathematics as determined by the commission for higher education in consultation with the state educational institutions; and
- (2) must provide information on strategies and resources that schools can use to assist a student in achieving the level of academic performance that is appropriate for the student's grade level to:
 - (A) reduce the likelihood that a student will fail a graduation exam **(before July 1, 2018) or fail to meet a graduation pathway requirement (after June 30, 2018)**, and require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5; or
 - (B) minimize the necessity for postsecondary remedial course work by the student.

SECTION 45. IC 20-32-9-3, AS AMENDED BY P.L.213-2015, SECTION 200, AND AS AMENDED BY P.L.222-2015, SECTION 14, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) If the appropriate secondary school official determines, using the *criteria and thresholds indicators* established in section 2 of this chapter, that a student *before the spring semester, or the equivalent, in grade 11*:



(1) has failed a graduation exam (before July 1, 2018) or has failed to meet a graduation pathway requirement (after June 30, 2018) and may require a graduation waiver under IC 20-32-4-4 or IC 20-32-4-5; or

(2) will likely require remedial work at a postsecondary educational institution or workforce training program;

the appropriate secondary school official shall require the student to take a college and career readiness exam approved by the state board in consultation with the department, the commission for higher education established under IC 21-18-2-1, ~~the education roundtable established under IC 20-19-4-2~~, and the department of workforce development under IC 22-4.1-2-1 *at least one (1) time before the student begins the spring semester, or the equivalent, in grade 11.* The cost of the exam shall be paid by the department.

(b) If a student is required to take an exam under subsection (a), the appropriate school official shall make a determination based on the guidelines *and thresholds* established in section 2 of this chapter as to whether the student is in need of additional instruction or remedial action with respect to a particular subject matter covered in the exam. If the appropriate school official determines that a student who takes an exam under subsection (a) is in need of remediation or supplemental instruction to prevent the need for remediation at a postsecondary educational institution or workforce development program, the appropriate school official shall inform the student's parent:

(1) of the likelihood that the student will require remedial course work;

(2) of the potential financial impact on the student or the parent for the additional remedial course work described in subdivision (1), including that the student may not be eligible to receive state scholarships, grants, or assistance administered by the commission for higher education; and

(3) of the additional time that may be required to earn a degree; while the student attends a postsecondary educational institution or workforce development program. The appropriate secondary school official may establish a remediation or supplemental instruction plan with the student's parent.

(c) Before a student determined to need additional instruction or remedial action under subsection (b) with respect to a particular subject matter may enroll in a dual credit course under IC 21-43 in the same subject matter or a related subject matter, the student may receive additional instruction or remedial course work and must retake the examination described in subsection (a). If the appropriate school



official determines that the student no longer requires additional instruction or remedial action under the guidelines established under section 2 of this chapter after retaking the exam under this section, the student may enroll in a dual credit course under IC 21-43. The cost of the administration of the exam under this subsection *and subsection (d)* shall be paid by the department.

(d) A student who takes an exam under subsection (a) and is identified as being in need of remediation or supplemental instruction shall retake the college and career readiness exam during grade 12 after a remediation or supplemental instruction plan is completed.

(e) Upon implementation of a grade 10 assessment aligned with college and career readiness educational standards adopted by the state board under IC 20-19-2-14.5, the department shall report to the state board and the general assembly in an electronic format under IC 5-14-6 as to the feasibility of using the grade 10 assessment as the initial identifier for determining the remediation needs of students. This subsection expires January 1, 2020.

SECTION 46. IC 20-33-2-13, AS AMENDED BY P.L.222-2015, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) A school corporation shall record or include the following information in the official high school transcript for a student in high school:

- (1) Attendance records.
- (2) The student's latest ~~ISTEP~~ **statewide assessment** program test results. ~~under IC 20-32-5.~~
- (3) Any secondary level and postsecondary level certificates of achievement earned by the student.
- (4) Immunization information from the immunization record the student's school keeps under IC 20-34-4-1.
- (5) Any dual credit courses taken that are included in the core transfer library under IC 21-42-5-4.

(b) A school corporation may include information on a student's high school transcript that is in addition to the requirements of subsection (a).

SECTION 47. IC 20-35-8-1, AS AMENDED BY P.L.229-2011, SECTION 195, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection (b), if a student with legal settlement in a school corporation is transferred to attend school in another school corporation because of a disability or multiple disabilities, the transferor corporation shall:

- (1) either:
 - (A) provide; or



- (B) pay for, in the amount determined under section 2 of this chapter;
 any transportation that is necessary or feasible, as determined under section 2 of this chapter and the rules adopted by the state board; and
 (2) pay transfer tuition for the student to the transferee corporation in accordance with IC 20-26-11.
- (b) If the student attends a school operated through:
 (1) a joint school service and supply program; or
 (2) another cooperative program;
 involving the school corporation of the student's legal settlement, transportation and other costs shall be made in amounts and at the times provided in the agreement or other arrangement made between the participating school corporations.
- (c) Student data, including ~~ISTEP~~ **statewide assessment** program testing scores, academic progress, grade level, and graduation date, for a student described in subsection (a) shall be included in determinations for the school corporation in which the student has legal settlement.
- SECTION 48. IC 20-43-10-3, AS AMENDED BY P.L.151-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) As used in this section, "achievement test" means a
 (1) ~~test required by the ISTEP statewide assessment program.~~ **or**
 (2) ~~Core 40 end of course assessment for the following:~~
 (A) ~~Algebra I.~~
 (B) ~~English 10.~~
 (C) ~~Biology I.~~
- (b) As used in this section, "graduation rate" means the percentage graduation rate for a high school in a school corporation as determined under IC 20-26-13-10 but adjusted to reflect the pupils who meet the requirements of graduation under subsection (d).
- (c) As used in this section, "test" means ~~either:~~
 (1) ~~a test required by the ISTEP statewide assessment program.~~
 or
 (2) ~~a Core 40 end of course assessment.~~
- (d) A pupil meets the requirements of graduation for purposes of this section if the pupil successfully completed:
 (1) a sufficient number of academic credits, or the equivalent of academic credits; and
 (2) the graduation examination required under IC 20-32-3 through IC 20-32-5 **(before July 1, 2018) or a graduation pathway**



requirement (after June 30, 2018);

that resulted in the awarding of a high school diploma or an academic honors diploma to the pupil for the school year ending in the immediately preceding state fiscal year.

(e) Determinations for a school for a state fiscal year must be made using:

- (1) the count of tests passed compared to the count of tests taken throughout the school;
- (2) the graduation rate in the high school; and
- (3) the count of pupils graduating in the high school.

(f) In determining grants under this section, a school corporation may qualify for the following two (2) grants each year:

- (1) One (1) grant under subsection (h), (i), or (j).
- (2) One (1) grant under subsection (k), (l), or (m).

(g) The sum of the two (2) grant amounts described in subsection (f), as determined for a school corporation under this section, constitutes an annual performance grant that is in addition to state tuition support. After review by the budget committee, the annual performance grant for a state fiscal year shall be distributed to the school corporation before December 5 of that state fiscal year, unless an extension of the December 5 deadline is approved for that state fiscal year under subsection (o). If the:

- (1) total amount to be distributed as performance grants for a particular state fiscal year exceeds the amount appropriated by the general assembly for performance grants for that state fiscal year, the total amount to be distributed as performance grants to school corporations shall be proportionately reduced so that the total reduction equals the amount of the excess. The amount of the reduction for a particular school corporation is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the performance grant that the school corporation would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed as performance grants to all school corporations if a reduction were not made under this section; and
- (2) total amount to be distributed as performance grants for a particular state fiscal year is less than the amount appropriated by the general assembly for performance grants for that state fiscal year, the total amount to be distributed as performance grants to school corporations for that particular state fiscal year shall be proportionately increased so that the total amount to be



distributed equals the amount of the appropriation for that particular state fiscal year.

The performance grant received by a school corporation shall be allocated among and used only to pay cash stipends to all teachers who are rated as effective or as highly effective and employed by the school corporation as of December 1. The lead school corporation or interlocal cooperative administering a cooperative or other special education program or administering a career and technical education program, including programs managed under IC 20-26-10, IC 20-35-5, IC 20-37, or IC 36-1-7, shall award performance stipends to and carry out the other responsibilities of an employing school corporation under this section for the teachers in the special education program or career and technical education program. The amount of the distribution from an annual performance grant to an individual teacher is determined at the discretion of the governing body of the school corporation. The governing body shall differentiate between the amount of the stipend awarded to a teacher rated as a highly effective teacher and a teacher rated as an effective teacher and may differentiate between school buildings. A stipend to an individual teacher in a particular year is not subject to collective bargaining and is in addition to the minimum salary or increases in salary set under IC 20-28-9-1.5. In addition, an amount determined under the policies adopted by the governing body but not exceeding fifty percent (50%) of the amount of a stipend to an individual teacher in a particular state fiscal year beginning after June 30, 2015, becomes a permanent part of and increases the base salary of the teacher receiving the stipend for school years beginning after the state fiscal year in which the stipend is received. The addition to base salary under this section is not subject to collective bargaining, is payable from funds other than the performance grant, and is in addition to the minimum salary and increases in salary set under IC 20-28-9-1.5. The school corporation shall distribute all stipends from a performance grant to individual teachers within twenty (20) business days of the date the department distributes the performance grant to the school corporation. Any part of the performance grant not distributed as stipends to teachers before February must be returned to the department on the earlier of the date set by the department or June 30 of that state fiscal year.

(h) Except as provided in subsection (n), a school qualifies for a grant under this subsection if the school has more than seventy-two and five-tenths percent (72.5%) but less than ninety percent (90%) of the tests taken in the school year ending in the immediately preceding state fiscal year that receive passing scores. The grant amount for the state



fiscal year is:

(1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) twenty-three dollars and fifty cents (\$23.50).

(i) Except as provided in subsection (n), a school qualifies for a grant under this subsection if the school has at least ninety percent (90%) of the tests taken in the school year ending in the immediately preceding state fiscal year that receive passing scores. The grant amount for the state fiscal year is:

(1) the count of the school's passing scores on tests in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) forty-seven dollars (\$47).

(j) This subsection does not apply to a school corporation in its first year of operation or to a school corporation that is entitled to a distribution under subsection (h) or (i). Except as provided in subsection (n), a school qualifies for a grant under this subsection if the school's school year over school year percentage growth rate of achievement tests receiving passing scores was at least five percent (5%), comparing the school year ending in the immediately preceding state fiscal year to the school year immediately preceding that school year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who had a passing score on their achievement test in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) forty-seven dollars (\$47).

(k) A school qualifies for a grant under this subsection if the school had a graduation rate of ninety percent (90%) or more for the school year ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who met the requirements for graduation for the school year ending in the immediately preceding state fiscal year; multiplied by

(2) one hundred seventy-six dollars (\$176).

(l) A school qualifies for a grant under this subsection if the school had a graduation rate greater than seventy-five percent (75%) but less than ninety percent (90%) for the school year ending in the immediately preceding state fiscal year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who met the requirements for graduation for the school year ending in the



immediately preceding state fiscal year; multiplied by

(2) eighty-eight dollars (\$88).

(m) This subsection does not apply to a school in its first year of operation or to a school corporation that is entitled to a distribution under subsection (k) or (l). A school qualifies for a grant under this subsection if the school's school year over school year percentage growth in its graduation rate is at least five percent (5%), comparing the graduation rate for the school year ending in the immediately preceding state fiscal year to the graduation rate for the school year immediately preceding that school year. The grant amount for the state fiscal year is:

(1) the count of the school corporation's pupils who met the requirements for graduation in the school year ending in the immediately preceding state fiscal year; multiplied by

(2) one hundred seventy-six dollars (\$176).

(n) This subsection applies to the state fiscal year beginning July 1, 2015, and ending June 30, 2016. Notwithstanding subsection (h), (i), or (j), the amount of the grant described in subsection (h), (i), or (j) shall be calculated using the higher of:

(1) the percentage of passing scores on ISTEP program tests for the school for the 2013-2014 school year; or

(2) the percentage of passing scores on ISTEP program tests for the school for the 2014-2015 school year.

If a grant amount for a school is calculated using the percentage described in subdivision (1), the ISTEP data from the 2013-2014 school year shall be used in the calculation of the grant amount, and the grant amount may not exceed the grant amount that the school received for the state fiscal year beginning July 1, 2014, and ending June 30, 2015, or in the case of a currently eligible school that was ineligible for a grant in the state fiscal year beginning July 1, 2014, and ending June 30, 2015, because the school had not completed the required teacher evaluations, the grant amount that the school would have been entitled to receive for the state fiscal year beginning July 1, 2014, and ending June 30, 2015, if the school had been eligible. The school corporation shall distribute all stipends from a performance grant to individual teachers within twenty (20) business days of the date the department distributes the performance grant to the school corporation.

(o) The department, after review by the budget committee, may waive the December 5 deadline to distribute an annual performance grant to the school corporation under subsection (g) for that state fiscal year and approve an extension of that deadline to a later date within that state fiscal year, if the department determines that a waiver and



extension of the deadline is in the public interest.

(p) This section expires June 30, ~~2017~~: **2019**.

SECTION 49. IC 20-51-1-4.7, AS AMENDED BY P.L.211-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.7. "Eligible school" refers to a public or nonpublic elementary school or high school that:

- (1) is located in Indiana;
- (2) requires an eligible choice scholarship student to pay tuition or transfer tuition to attend;
- (3) voluntarily agrees to enroll an eligible choice scholarship student;
- (4) is accredited by either the state board or a national or regional accreditation agency that is recognized by the state board;
- (5) administers the ~~Indiana statewide testing for educational progress (ISTEP)~~ **statewide assessment** program; ~~under IC 20-32-5;~~
- (6) is not a charter school or the school corporation in which an eligible choice scholarship student has legal settlement under IC 20-26-11; and
- (7) submits to the department only the student performance data required for a category designation under IC 20-31-8-3.

SECTION 50. IC 20-51-1-6, AS ADDED BY P.L.182-2009(ss), SECTION 364, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) "Participating school" refers to a public or nonpublic school that:

- (1) an eligible student is required to pay tuition or transfer tuition to attend;
- (2) voluntarily agrees to enroll an eligible student;
- (3) is accredited by either the state board or a national or regional accreditation agency that is recognized by the state board; and
- (4) administers the tests under the ~~Indiana statewide testing for educational progress (ISTEP)~~ **statewide assessment** program or administers another nationally recognized and norm-referenced assessment of the school's students.

(b) The term does not include a public school in a school corporation where the eligible student has legal settlement under IC 20-26-11.

SECTION 51. [EFFECTIVE UPON PASSAGE] **(a) The legislative council is urged to assign to the interim study committee on education established by IC 2-5-1.3-4 for study during the 2017 interim of the general assembly the topic of Indiana's laws concerning school certificated employee evaluations.**



(b) If the topic described in subsection (a) is assigned to the interim study committee on education, the study committee shall, not later than November 1, 2017, issue a final report to the legislative council containing the study committee's findings and recommendations, including any recommended legislation concerning the topic, in an electronic format under IC 5-14-6.

(c) This SECTION expires December 31, 2017.

SECTION 52. [EFFECTIVE UPON PASSAGE] (a) Not later than November 1, 2017, the department of education shall make recommendations to the general assembly, in an electronic format under IC 5-14-6, for updating Indiana's graduation waiver requirements under IC 20-32-4-4.

(b) This SECTION expires January 1, 2018.

SECTION 53. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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